

QUEBEC SILICA RESOURCES CORP.
INTERIM MD&A – QUARTERLY HIGHLIGHTS
FOR THE THREE AND NINE MONTHS ENDED JUNE 30, 2021

Background and Corporate Update

This Management Discussion and Analysis – Quarterly Highlights (“Quarterly Highlights”) for Quebec Silica Resources Corp. (the “Company”) is prepared as at August 06, 2021 and should be read in conjunction with the Company’s unaudited condensed interim financial statements for the three and nine months ended June 30, 2021 and in conjunction with its audited financial statements as at and for the year ended September 30, 2020 included in its Prospectus dated March 31, 2021.

The unaudited condensed interim financial statements for the three and nine months ended June 30, 2021, and comparative information presented therein, have been prepared in accordance with International Financial Reporting Standard (“IFRS”) and with International Accounting Standard 34, “Interim Financial Reporting”, as issued by the International Accounting Standards Board (“IASB”).

All dollar figures included therein and in the following Quarterly Highlights are quoted in Canadian dollars. Additional information relevant to the Company’s activities can be found on SEDAR at www.sedar.com.

The Company’s principal business activities include the acquisition and exploration of mineral resource properties. The Company has two exploration properties located in south-western Quebec: 1) the Charlevoix Property, and 2) the recently acquired Roche Blanche Property.

On April 1, 2021, a Prospectus filed by the Company was given final receipt by the British Columbia Securities Commission and on April 28, 2021, the Company’s common shares began trading on the CSE under the symbol ‘QTZ’.

Forward-Looking Statements

Certain statements contained in the MD&A may constitute forward-looking statements. Such forward-looking statements involve a number of known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. These risks include, but are not limited to, the Company’s business plans focussed on the exploration and development of its mineral properties; proposed work programs on its mineral properties; costs and timing of future exploration and development activities; timing and receipt of approvals, consents and permits under applicable legislation; use of available funds and ability for the Company to raise additional funds; business objectives and milestones; and adequacy of financial resources. A more detailed discussion of forward-looking statements is included in the Company’s Prospectus dated March 31, 2021. Readers are cautioned not to place undue reliance on forward-looking statements.

Risks and Uncertainties

Due to the nature of the Company’s business and the present stage of development of its business, the Company is subject to significant risks. Readers should carefully consider all such risks. Risk factors include, but are not limited to, limited operating history, speculative nature of mineral exploration, dilution, mineral titles, loss of interest in properties, permits and government regulations, environmental and safety regulations and risks, fluctuating mineral prices, financing risks and competition. A more detailed discussion of these risk factors is included in the Company’s Prospectus dated March 31, 2021.

During the first quarter of calendar 2020, there was a global outbreak of a novel coronavirus identified as “COVID-19”. On March 11, 2020, the World Health Organization declared a global pandemic. In order to combat the spread of COVID-19, governments worldwide have enacted emergency measures including travel bans, legally

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enforced or self-imposed quarantine periods, social distancing and business and organization closures. These measures have caused material disruptions to businesses, governments and other organizations resulting in an economic slowdown and increased volatility in national and global equity and commodity markets.

Central banks and governments, including Canadian federal and provincial governments, have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of any interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company and its operations in future periods.

Exploration and Evaluation Properties

Charlevoix Property

On August 10, 2020, the Company entered into an agreement with Macdonald Mines Exploration Ltd. for the purchase of six mineral claims, referred to as the Charlevoix Property, covering an estimated 346.95 hectares located in south-western Quebec, Canada.

The agreement provided for the purchase of these claims in consideration of 1,000,000 common shares of the Company. On February 2, 2021, the Company issued the 1,000,000 common shares to complete the acquisition.

During the nine months ended June 30, 2021, the Company has incurred \$55,695 on the Charlevoix Property for the completion of the NI43-101 Technical Report and the payment of 1,000,000 common shares valued at \$50,000 for the purchase of the six mineral claims.

The Company has engaged a Quebec based contractor to commence work on an initial exploration program on the Charlevoix Property. The exploration program is expected to consist of line cutting, mapping, geophysics, trenching and sampling. The initial exploration program is described in greater detail in the Company's March 31, 2021 Prospectus. If warranted, drilling later in 2021 or early 2022 will follow the initial exploration program.

Roche Blanche Property

On April 26, 2021, the Company entered into an agreement with a group of arm's length parties to acquire a 100% interest in seven contiguous mining claims covering a total area of 404.81 hectares located near the Charlevoix Property in the Lac-Pikauba Municipality of the Province of Quebec, Canada.

The Roche Blanche Property is approximately 1.3 km along a geological strike from the Charlevoix Property. The high-grade silica formation, known as the Quartzite du Petit lac Malbaie, is actively mined by neighbouring operators and is mapped to extend though the Charlevoix Property and through the new Roche Blanche Property.

The agreement provided for the purchase of these claims in consideration of 4,000,000 common shares of the Company valued at \$400,000. Certain sellers will retain a 2.0 % net smelter royalty ("NSR") from any future production. The Company has the right to reduce the 2.0% NSR to a 1.0% NSR by paying \$1,000,000.

Analysis of the Company's Financial Performance and Condition

Three months ended June 30, 2021

The Company reported a loss of \$495,797 (2020 – \$839) and a loss per share of \$0.01 (2020 - \$nil) for the three months ended June 30, 2021. The loss was comprised of the following items:

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- Filing and listing fees were \$12,674 (2020 - \$nil) and consisted of CSE listing fees and securities commissions filing fees.
- General and administrative expenses were \$20,589 (2020 - \$nil) and consisted principally of directors and officers liability insurance, administrative fees, and rent.
- Management fees were \$6,000 (2020 - \$nil) and consisted of \$3,000 paid to each the CEO and CFO for services rendered.
- Professional fees were \$16,099 (2020 - \$839) and were composed of \$2,175 (2020 - \$nil) of accounting and audit fees and \$13,924 (2020 - \$1,214) of legal fees. These fees were higher in 2021 as a result of costs incurred to become a reporting issuer and seek a listing on the CSE.
- Pre-exploration and exploration expenditures were \$400,000 (2020 - \$nil) and consisted of the \$400,000 purchase of the seven Roche Blanche mineral claims through the issuance of 4,000,000 common shares.

Nine months ended June 30, 2021

The Company reported a loss of \$641,112 (2020 – \$11,077) and a loss per share of \$0.03 (2020 - \$nil) for the nine months ended June 30, 2021. The loss was comprised the following items:

- Consulting fees were \$12,500 (2020 - \$nil) for corporate advisory services.
- Filing and listing fees were \$23,313 (2020 - \$nil) and consisted of CSE listing fees and securities commissions fees.
- General and administrative expenses were \$32,147 (2020 - \$1,575) and consisted principally of directors and officers liability insurance, administrative fees, and rent.
- Management fees were \$24,000 (2020 - \$nil) and consisted of \$12,000 paid to each the CEO and CFO for services rendered.
- Professional fees were \$52,872 (2020 - \$9,502) and were composed of \$14,128 (2020 - \$nil) of accounting and audit fees and \$38,744 (2020 - \$9,502) of legal fees. These fees were higher in 2021 as a result of costs incurred to become a reporting issuer and seek a listing on the CSE.
- Pre-exploration and exploration expenditures were \$455,695 (2020 - \$nil) and consisted of the \$50,000 purchase of the six Charlevoix mineral claims through the issuance of 1,000,000 common shares and \$5,338 for technical report writing, and the \$400,000 purchase of the seven Roche Blanche mineral claims through the issuance of 4,000,000 common shares.

Liquidity and Capital Resources

As at June 30, 2021, the Company's cash position was \$713,354 (September 30, 2020 - \$730,898) and it had working capital of \$711,302 (September 30, 2020 - \$516,655).

During the nine months ended June 30, 2021, sources of cash for the Company included \$238,369 of net proceeds raised through the issuance of special warrants.

During the nine months ended June 30, 2021, uses of cash by the Company included \$255,913 for operating activities.

As a result of the Company being listed on the CSE and becoming more active in its exploration activities, it is anticipated that there will be significant increase in expenses associated with maintaining its stock exchange listing and with the overall management and operation of the Company.

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Related Party Transactions

Refer to note 7 of the June 30, 2021 condensed interim financial statements.

Directors and Officers

Raymond Wladichuk	Director and CEO
Aeron Kawakami	Director
Ming Jang	Director
Elyssia Patterson	CFO